

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

FIFTH INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JUNE 1, 2004 THROUGH JUNE 30, 2004)

Name of Applicant:

Capstone Corporate Recovery, LLC

Authorized to Provide Professional Services to:

The Official Committee of
Unsecured Creditors

Date of Retention:

June 8, 2004 (nunc pro tunc
to February 4, 2004)

Period for which compensation and
reimbursement is sought:

June 1, 2004 through
June 30, 2004

Amount of Compensation sought

as actual, reasonable and necessary (80% of \$106,470.50): \$85,176.40

Amount of Expense Reimbursement sought

as actual, reasonable and necessary (100%): \$1,119.63

This is an: X interim ____ final application

This is the Fifth Interim Application filed by Capstone Corporate Recovery, LLC.
("Capstone"). Capstone was retained instead of FTI Consulting, Inc. (a/k/a FTI Policano
& Manzo) ("FTI") as financial advisors to the Official Committee of Unsecured
Creditors, by order of this Court dated June 8, 2004, nunc pro tunc to February 4, 2004.

The total time expended for fee application preparation activities is approximately 35.50
hours and corresponding compensation requested is approximately \$7,314.50
Disclosure for the current period is as follows:

FIFTH INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY, LLC,
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CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JUNE 1, 2004 THROUGH JUNE 30, 2004)

**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees (80% of requested fees)
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
Totals First Quarterly	February 4, 2004 through March 31, 2004	\$231,297.50	\$5,751.07	\$185,038.00
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40

FIFTH INTERIM APPLICATION OF CAPSTONE CORPORATE RECOVERY, LLC,
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(FOR THE PERIOD FROM JUNE 1, 2004 THROUGH JUNE 30, 2004)

**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

W.R. Grace & Co.**Capstone Corporate Recovery, LLC****Summary of Fees by Professional****For the Period 6/1/04 through 6/30/04**

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$495	6.80	\$3,366.00
S. Cunningham	Member	\$475	95.50	\$45,362.50
C. Troyer	Consultant	\$375	64.40	\$24,150.00
J. Surdoval	Consultant	\$375	60.00	\$22,500.00
L. Hamilton	Consultant	\$335	19.70	\$6,599.50
T. Sell	Consultant	\$275	0.90	\$247.50
M. Desalvio	Research	\$150	0.50	\$75.00
M. Hakoun	Research	\$150	19.10	\$2,865.00
N. Backer	Paraprofessional	\$75	17.40	\$1,305.00
For the Period 6/1/04 through 6/30/04			284.30	\$106,470.50

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Summary of Fees by Task Code
For the Period 6/1/2004 through 6/30/2004

Task Code	Task Description	Hours	Fees
01. Asset Acquisitions	During the Fee Application period, the Applicant read and analyzed information provided by the Debtors regarding several proposed acquisitions. The Applicant prepared reports to the Committee thereon.	131.40	\$55,521.00
04. Creditor Committee Matters	During the Fee Application period, the Applicant discussed various case issues with members of the Committee, including potential acquisitions, operating performance, and status of bankruptcy POR negotiations.	6.90	\$2,885.50
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared Fee Applications and related materials for itself and on behalf of FTI Consulting, Inc.	35.50	\$7,314.50
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant read and analyzed Q1 2004 financial results and prepared a report to the Committee thereon.	67.30	\$27,269.50
11. Financial Analysis - Other	During the Fee Application Period, the Applicant read and analyzed peer group information. Applicant also read and analyzed various motions and related materials. Additionally, patent infringement, intercompany and other issues were analyzed.	23.00	\$7,078.50
21. Research	During the Fee Application period, the Applicant analyzed court dockets for pertinent case information.	2.00	\$300.00
26. Meetings with Debtors	During the Fee Application Period, we met with the Debtors' advisors and participated in calls with the Debtors regarding patent infringement, an intercompany note, acquisitions and other issues.	12.10	\$5,117.50
28. Special Case Issues	During the Fee Application period, the Applicant read and analyzed recent asbestos legislation information.	6.10	\$984.00
For the Period 6/1/2004 through 6/30/2004		284.30	\$106,470.50

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Summary of Fees by Task Code by Professional
For the Period 6/1/2004 through 6/30/2004

Professional	Hours	Fees
01. Asset Acquisitions		
E. Ordway	1.80	\$891.00
S. Cunningham	61.30	\$29,117.50
J. Surdoval	52.00	\$19,500.00
C. Troyer	13.80	\$5,175.00
L. Hamilton	2.50	\$837.50
	131.40	\$55,521.00
04. Creditor Committee Matters		
E. Ordway	0.40	\$198.00
S. Cunningham	2.50	\$1,187.50
J. Surdoval	4.00	\$1,500.00
	6.90	\$2,885.50
07. Fee Applications & Invoices		
L. Hamilton	17.20	\$5,762.00
T. Sell	0.90	\$247.50
N. Backer	17.40	\$1,305.00
	35.50	\$7,314.50
08. Financial Analysis - Schedules & Statements		
E. Ordway	1.60	\$792.00
S. Cunningham	18.40	\$8,740.00
C. Troyer	47.30	\$17,737.50
	67.30	\$27,269.50
11. Financial Analysis - Other		
E. Ordway	2.80	\$1,386.00

Professional	Hours	Fees
S. Cunningham	7.50	\$3,562.50
J. Surdoval	1.00	\$375.00
M. Hakoun	11.70	\$1,755.00
	23.00	\$7,078.50
21. Research		
M. Desalvio	0.50	\$75.00
M. Hakoun	1.50	\$225.00
	2.00	\$300.00
26. Meetings with Debtors		
S. Cunningham	5.80	\$2,755.00
C. Troyer	3.30	\$1,237.50
J. Surdoval	3.00	\$1,125.00
	12.10	\$5,117.50
28. Special Case Issues		
E. Ordway	0.20	\$99.00
M. Hakoun	5.90	\$885.00
	6.10	\$984.00
For the Period 6/1/2004 through 6/30/2004	284.30	\$106,470.50

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Detailed Time Description by Task Code
For the Period 6/1/2004 through 6/30/2004

Date	Professional	Hours	Detailed Time Description
01. Asset Acquisitions			
6/2/2004	C. Troyer	2.30	Read and analyzed discussion materials prepared by the Debtors on a proposed acquisition.
6/2/2004	E. Ordway	0.40	Read and analyzed data regarding proposed acquisition.
6/3/2004	S. Cunningham	1.60	Read and analyzed data to be included in Committee issues update including Project Caesar, etc.
6/4/2004	E. Ordway	0.50	Continued to analyze proposed acquisition data and summarized issues for staff to further investigate.
6/7/2004	S. Cunningham	5.20	Read and analyzed information pertaining to Project Caesar acquisition.
6/8/2004	J. Surdoval	5.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/9/2004	J. Surdoval	6.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/10/2004	J. Surdoval	5.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/10/2004	E. Ordway	0.20	Revised and edited report regarding proposed acquisition.
6/10/2004	S. Cunningham	4.40	Read and analyzed information pertaining to Project Caesar acquisition.
6/11/2004	C. Troyer	3.50	Analyzed comparable company valuation multiples as part of our analysis of the proposed Alltech acquisition.
6/11/2004	J. Surdoval	3.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/14/2004	C. Troyer	1.50	Performed a comparable company valuation analysis for the proposed Alltech acquisition.
6/14/2004	J. Surdoval	0.50	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/15/2004	S. Cunningham	5.20	Prepared analysis of Caesar acquisition.
6/15/2004	J. Surdoval	1.00	Analyzed information and prepared draft of Project Caesar report to the Committee.

Date	Professional	Hours	Detailed Time Description
6/16/2004	J. Surdoval	4.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/16/2004	C. Troyer	4.00	Finalized comparable company valuation analysis regarding the proposed Alltech acquisition.
6/16/2004	S. Cunningham	4.80	Prepared analysis of Caesar acquisition.
6/17/2004	C. Troyer	0.50	Drafted section of report evaluating the proposed Alltech acquisition.
6/18/2004	C. Troyer	2.00	Prepared a summary of historical bolt-on acquisitions and related key deal terms.
6/18/2004	J. Surdoval	6.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/21/2004	S. Cunningham	3.10	Prepared and edited draft report to Committee regarding Alltech acquisition.
6/21/2004	J. Surdoval	1.50	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/21/2004	S. Cunningham	3.90	Prepared analysis of Alltech acquisition.
6/21/2004	L. Hamilton	1.20	Read and edited report regarding Caesar acquisition.
6/21/2004	L. Hamilton	1.30	Prepared updates to acquisition summary.
6/22/2004	S. Cunningham	3.50	Prepared and edited draft report to Committee regarding Alltech acquisition.
6/22/2004	J. Surdoval	2.00	Read and analyzed additional materials received from Debtors regarding Project Caesar.
6/23/2004	E. Ordway	0.70	Investigated tangible property valuation issues related to possible acquisition.
6/23/2004	S. Cunningham	3.80	Prepared analyses of Project Rudy and Hamlet acquisitions.
6/24/2004	S. Cunningham	2.10	Read and analyzed purchase and sale agreement related to Alltech acquisition.
6/24/2004	S. Cunningham	2.50	Prepared analysis and report to the Committee regarding Project Rudy and Project Hamlet.
6/24/2004	J. Surdoval	6.00	Analyzed information and prepared draft of Project Caesar report to the Committee.
6/24/2004	S. Cunningham	2.80	Prepared analysis of Alltech acquisition.
6/25/2004	S. Cunningham	3.90	Read and analyzed disclosure schedules and Purchase and Sale Agreement related to acquisition of Alltech.
6/25/2004	J. Surdoval	2.50	Participated in conference calls with counsel and Debtors regarding Project Caesar.

Date	Professional	Hours	Detailed Time Description
6/25/2004	J. Surdoval	2.50	Prepared updates to Project Caesar report.
6/28/2004	S. Cunningham	6.10	Reviewed, updated and edited report to Committee in preparation for conference call with Debtors to review Alltech acquisition.
6/28/2004	S. Cunningham	1.00	Participated in conference call with Debtors to review Alltech acquisition.
6/28/2004	J. Surdoval	3.00	Prepared updates to Project Caesar report.
6/29/2004	S. Cunningham	2.20	Prepared analysis of non-filed acquisitions; Project Hamlet and Rudy.
6/29/2004	J. Surdoval	4.00	Prepared analysis of Project Rudy.
6/30/2004	S. Cunningham	5.20	Prepared analysis of infringement liability and completed due diligence on Alltech acquisitions.
Subtotal		131.40	

04. Creditor Committee Matters

6/17/2004	J. Surdoval	4.00	Analysis and discussion with counsel and agent on acquisition.
6/24/2004	S. Cunningham	1.50	Discussed Alltech acquisition with Committee chair and counsel.
6/28/2004	S. Cunningham	1.00	Participated in various calls with counsel and Committee to review Alltech acquisition.
6/28/2004	E. Ordway	0.40	Read Committee/Debtor status reports.
Subtotal		6.90	

07. Fee Applications & Invoices

6/1/2004	N. Backer	1.40	Processed fee application for April.
6/1/2004	L. Hamilton	0.30	Discussed fee application procedures with fee auditor with respect to FTI fee applications.
6/1/2004	L. Hamilton	0.20	Discussed fee applications/retention order with counsel.
6/2/2004	N. Backer	4.10	Processed fee application for April.
6/7/2004	L. Hamilton	0.90	Searched docket, prepared correspondence and responded to emails concerning missing retention order.
6/7/2004	L. Hamilton	1.40	Prepared April fee application.
6/7/2004	L. Hamilton	1.90	Prepared Quarterly fee application.

Date	Professional	Hours	Detailed Time Description
6/9/2004	L. Hamilton	0.90	Prepared updates for Quarterly fee application.
6/9/2004	L. Hamilton	0.70	Prepared updates for April fee application.
6/9/2004	L. Hamilton	2.20	Prepared updates for March fee application.
6/9/2004	L. Hamilton	2.10	Prepared updates for February fee application.
6/9/2004	L. Hamilton	1.10	Prepared updates for FTI Feb.-Mar. fee application.
6/9/2004	N. Backer	2.20	Processed fee application for May.
6/10/2004	L. Hamilton	1.00	Prepared updates for April fee application.
6/10/2004	L. Hamilton	1.50	Prepared updates for March fee application.
6/10/2004	L. Hamilton	1.30	Prepared updates for March fee application.
6/10/2004	L. Hamilton	1.10	Prepared updates for February fee application.
6/10/2004	L. Hamilton	0.60	Prepared updates for Quarterly fee application.
6/10/2004	N. Backer	1.80	Processed fee application for May.
6/11/2004	N. Backer	0.50	Processed fee application for May.
6/22/2004	N. Backer	1.10	Processed fee application for May.
6/23/2004	N. Backer	1.30	Processed fee application for May.
6/24/2004	N. Backer	2.10	Processed fee application for May.
6/25/2004	N. Backer	0.90	Processed fee application for May.
6/30/2004	N. Backer	2.00	Processed fee application for May.
6/30/2004	T. Sell	0.90	Proofread May fee application.
Subtotal		35.50	

08. Financial Analysis - Schedules & Statements

6/1/2004	C. Troyer	2.60	Prepared support schedules for inclusion in the 1st quarter report to the Committee.
6/2/2004	C. Troyer	5.70	Prepared support schedules for inclusion in the 1st quarter report to the Committee.

Date	Professional	Hours	Detailed Time Description
6/3/2004	S. Cunningham	2.40	Prepared analysis of Q1 financial results versus plan and prior year.
6/3/2004	C. Troyer	7.00	Prepared supporting schedules for inclusion in the 1st quarter report to the Committee.
6/4/2004	C. Troyer	1.50	Drafted the report to the Committee on 1st quarter performance.
6/4/2004	E. Ordway	0.60	Prepared and edited monitoring report for Committee.
6/7/2004	E. Ordway	0.40	Revised monitoring report for Committee.
6/7/2004	C. Troyer	6.00	Drafted the 1st quarter report to the Committee.
6/8/2004	C. Troyer	7.50	Drafted the 1st quarter report to the Committee.
6/9/2004	C. Troyer	7.00	Drafted the 1st quarter report to the Committee.
6/10/2004	S. Cunningham	4.50	Read and analyzed first quarter financial information provided by Debtors.
6/10/2004	C. Troyer	9.00	Drafted the 1st quarter report to the Committee.
6/11/2004	S. Cunningham	3.00	Read and analyzed first quarter financial information provided by Debtors.
6/13/2004	S. Cunningham	2.20	Read and analyzed financial statements and prepared draft report of Q1 results for the Committee.
6/14/2004	S. Cunningham	2.30	Read and analyzed financial statements and prepared draft report of Q1 results for the Committee.
6/15/2004	E. Ordway	0.60	Updated monitoring report based on recent data provided by Debtor.
6/15/2004	C. Troyer	1.00	Updated 1st quarter report based on discussions with the Debtors.
6/17/2004	S. Cunningham	4.00	Read and analyzed financial statements and prepared draft report of Q1 results for the Committee.
Subtotal		67.30	

11. Financial Analysis - Other

6/3/2004	M. Hakoun	2.30	Researched peer group asbestos reserves, insurance limitations and environmental issues.
6/4/2004	M. Hakoun	2.50	Prepared peer group analysis.
6/7/2004	M. Hakoun	0.80	Read and analyzed information regarding developments in USG bankruptcy, extension of recovery plan and appointment of mediator.
6/7/2004	M. Hakoun	2.00	Read and analyzed peer group companies quarterly statements as filed with the SEC for the first quarter 2004 period.

Date	Professional	Hours	Detailed Time Description
6/9/2004	M. Hakoun	2.50	Updated and completed peer group analysis for the trailing twelve months ended for the first quarter 2004, including details of asbestos reserves and environmental provisions.
6/9/2004	M. Hakoun	0.20	Continued to develop peer group analysis.
6/14/2004	E. Ordway	0.90	Read Sealed Air motions and memo prepared by counsel.
6/22/2004	E. Ordway	1.40	Read motions filed by Debtors regarding status reports from each Committee.
6/22/2004	M. Hakoun	1.40	Analyzed price fixing allegations in the chemical industry and potential impact on W.R. Grace's segment sales.
6/23/2004	S. Cunningham	1.60	Prepared analyses of impact of adverse claim regarding patent infringement lawsuit.
6/24/2004	S. Cunningham	1.90	Read and analyzed information related to damage calculation per patent infringement lawsuit.
6/25/2004	S. Cunningham	2.20	Researched and prepared analysis of royalty rates in various court cases.
6/28/2004	E. Ordway	0.40	Read and analyzed counsels' memo regarding alternative dispute resolution.
6/29/2004	E. Ordway	0.10	Read correspondence from counsel regarding Wolin.
6/29/2004	S. Cunningham	1.80	Updated analysis and issues regarding patent infringement.
6/30/2004	J. Surdoval	1.00	Read and analyzed intercompany loan agreement.
Subtotal		23.00	
21. Research			
6/1/2004	M. Hakoun	1.50	Prepared database of case documents.
6/30/2004	M. Desalvio	0.50	Researched court for new case docket filings
Subtotal		2.00	
26. Meetings with Debtors			
6/3/2004	C. Troyer	1.00	Discussed the proposed acquisition with the Debtors.
6/3/2004	S. Cunningham	1.40	Participated in call with Grace senior management regarding Project Caesar.
6/4/2004	C. Troyer	1.00	Discussed questions with the Debtors regarding the financial model supporting the proposed acquisition.

Date	Professional	Hours	Detailed Time Description
6/9/2004	C. Troyer	1.00	Participated in a conversation with the Debtors and their financial advisors to discuss questions on the proposed Alltech acquisition.
6/15/2004	C. Troyer	0.30	Discussed outstanding questions on 1st quarter performance with the Debtors.
6/23/2004	S. Cunningham	0.60	Participated in conference call with Debtors' counsel to discuss patent infringement lawsuit.
6/24/2004	S. Cunningham	1.20	Reviewed and discussed terms of intercompany note with the Debtors and counsel regarding Project Alltech.
6/25/2004	S. Cunningham	0.80	Reviewed and discussed with Debtors' and Debtors' advisor detail calculations supporting estimate of liability.
6/28/2004	J. Surdoval	3.00	Participated in conference calls with Debtors regarding Project Caesar.
6/29/2004	S. Cunningham	1.80	Reviewed and discussed open issues with counsel and Debtors regarding acquisition.
Subtotal		12.10	
28. Special Case Issues			
6/7/2004	M. Hakoun	0.80	Researched asbestos settlement proposals and insurance coverage by peer companies
6/14/2004	M. Hakoun	1.30	Researched recent developments regarding "The Five Asbestos Bankruptcies" and the appointment of new judges and other court personnel.
6/23/2004	M. Hakoun	1.30	Read and analyzed W.R. Grace analyst spreadsheet provided by Debtors and compared to 10Q filing.
6/25/2004	M. Hakoun	0.40	Analyzed developments in the Asbestos Bill / Fund and prepared summary thereof.
6/25/2004	M. Hakoun	1.30	Read and analyzed Asbestos Trust Plan proposed by Senate and summarized latest developments therein.
6/28/2004	M. Hakoun	0.80	Continued to read and analyze Asbestos Trust Plan proposed by Senate and summarize latest developments therein.
6/29/2004	E. Ordway	0.20	Read memo from counsel regarding Senate Trust fund proposal.
Subtotal		6.10	
Total Hours		284.30	

W.R. Grace & Co.
Capstone Corporate Recovery, LLC
Expense Detail
For the Period 6/1/2004 through 6/30/2004

Expense Date	Professional	Amount
Copies		
6/30/2004	Copies (June 1101 @ .15 per page	\$165.15
Subtotal - Copies		\$165.15
Parking and Tolls		
6/30/2004	Troyer, C. - not submitted in March application	\$39.00
Subtotal - Parking and Tolls		\$39.00
Postage/FedEx		
6/8/2004	Troyer, C.	\$27.36
Subtotal - Postage/FedEx		\$27.36
Scans		
6/30/2004	Scans - 9 at \$1.00 per page	\$9.00
Subtotal - Scans		\$9.00
Subscription Fees - Factiva		
6/30/2004	Hakoun, M.	\$32.44
Subtotal - Subscription Fees - Factiva		\$32.44
Subscription Fees - Mealey's		
6/30/2004	Hakoun, M.	\$331.66
Subtotal - Subscription Fees - Mealey's		\$331.66
Telecom Charges		
6/1/2004	Ordway, E. - ATT Wireless - 5/31/04	\$14.69
6/1/2004	Ordway, E. - Verizon - 4/11/04	\$3.01
6/11/2004	Ordway, E. - Verizon - 6/11/04	\$5.34
6/30/2004	Telephone	\$389.18

Expense Date	Professional	Amount
6/30/2004	Ordway, E.	\$69.90
6/30/2004	Ordway, E.	\$32.90
Subtotal - Telecom Charges		\$515.02
For the Period 6/1/2004 through 6/30/2004		\$1,119.63